



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/414,951	10/08/1999	MICHAEL A. ARKES	202143	4073

8968 7590 04/07/2004

GARDNER CARTON & DOUGLAS LLP
ATTN: PATENT DOCKET DEPT.
191 N. WACKER DRIVE, SUITE 3700
CHICAGO, IL 60606

EXAMINER

KYLE, CHARLES R

ART UNIT PAPER NUMBER

3624

DATE MAILED: 04/07/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/414,951

Applicant(s)

ARKES, MICHAEL A.

Examiner

Charles R Kyle

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 December 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- 1) ☐ Certified copies of the priority documents have been received.
 - 2) ☐ Certified copies of the priority documents have been received in Application No. _____.
 - 3) ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) do not apply to the examination of this application as the application being examined was not (1) filed on or after November 29, 2000, or (2) voluntarily published under 35 U.S.C. 122(b). Therefore, this application is examined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

Claim 1 is rejected under 35 U.S.C. 102(e) as being anticipated by US 6,178,408 B1 *Copple et al*, already of record.

Regarding Claim 1, *Copple et al* disclose the invention as claimed including in a method for administering an on-line auction for an incentive points redemption facility including a catalog of potential auction items (Col. 6, lines 7-18), and a participant database comprising participant records (Fig. 2, element 210; Col. 4, line 58 to Col. 5, line 22), wherein each participant record includes a participant identifier (Col. 5, lines 3-6) and an incentive point value total available to the participant to bid (Col. 5, lines 13-22), the method comprising the steps of:

Art Unit: 3624

designating, for an auction, a set of auction items from the catalog of potential auction items (Col. 8, lines 7-19, particularly lines 13-15. See also Col. 1, lines 48-51);

providing on-line bid access to the set of auction items by authorized participants, the providing on-line access step comprising for an authorized participant:

retrieving, for on-line presentation at a terminal of the authorized participant, data corresponding to an item from the set of auction items, the data including a description of the item and data relating to a current minimum qualifying bid value for the item (Col. 6, lines 7-24);

receiving, via an on-line computer interface, a bid by the authorized participant for the item (Col. 6, lines 25-38; Fig. 3, connection btw. Elements 310 and 322); and

determining, by reference to an available incentive point value total for the authorized participant, whether the new bid exceeds a point total available to the authorized participant (Col. 5, lines 13-22; Col. 6, lines 7-24);

maintaining at least a high bid for each item in the set of auction items (Col. 6, line 18); and

identifying, upon ending an auction period, a participant corresponding to a highest covered bid by referencing at least the high bid for each item (Col. 6, lines 51-57).

It is also inherent that designation of items for an auction would be performed; such designation would provide a necessary defined set of items for which bidders could compete.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 2-8 and 10-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over US 6,178,408 *Copple et al* in view of US 5,915,244 *Jack et al*.

Regarding Claim 2, *Copple* discloses the invention substantially as claimed. See the discussion of Claim 1 above. *Copple* does not specifically disclose the purchase of additional incentive points through a currency-to-points conversion if available points are insufficient. *Jack* discloses such an interchangeability of currency and incentive points at Col. 3, line 46 to Col. 4, line 55. It would have been obvious to one of ordinary skill in the art at the time of the invention to provide a currency-to-points conversion to facilitate purchase of extra points because this would make available to a bidder more points to successfully bid for an item that he or she really wanted.

With respect to Claim 3, *Copple* does not specifically disclose delayed point conversion. It would have been obvious modify *Copple* to delay conversion until the bidder won because this would have avoided the administrative burden of converting points back to currency if the bidder was unsuccessful.

With respect to Claim 4, see the discussion of Claim 5. Further, modification of *Copple* to specify a currency-to-points conversion rate for each sponsor would have been obvious

Art Unit: 3624

because this feature could provide a basis for negotiation between sponsors and one practicing the invention.

Concerning Claim 5, *Jack* discloses specifying a currency-to-points conversion for each auction at Col. 4, lines 49-52.

With respect to Claim 6-8, *Copple* discloses notifying via an automated message delivery process (Col. 6, lines 41-43), a fulfillment service of a delivery request (Col. 6, lines 41-43), the delivery request including an identification of a winning participant (Col. 6, line 46), a delivery address (inherent for delivery), and the auction item for which the winning participant submitted a winning bid (Col. 6, lines 44-46).

With respect to Claim 10, *Copple* discloses that the auction is executed on an Internet connected site at Col.1, lines 5-18 and Col. 4, line 35+.

Concerning Claim 11, *Copple* discloses authorization to bid at Col. 4, line 53 to Col. 5, line 30.

With respect to Claim 12, *Copple* discloses adjustment of an incentive point total after bidding has closed at Col. 7, lines 1-6.

Regarding Claim 13, *Copple* discloses adjustment of incentive point value totals as set forth above. Further, it would have been obvious to adjust such a total before bidding ended so as to prevent the bidder from “spending” the points twice in different auctions, this avoiding over commitment.

Claim 9 is rejected under 35 U.S.C. 103(a) as being unpatentable over US 6,178,408 *Copple et al* in view of US 6,285,989 B1 *Shoham*, already of record.

Regarding Claim 9, *Copple* discloses the invention substantially as claimed. See the discussion of Claim 1 above. *Copple* does not specifically disclose an auction software kit for executing the steps of an auction. *Shoham* disclose such a kit at Summary of the Invention+. It would have been obvious to one of ordinary skill in the art at the time of the invention to have used an auction software kit such as disclosed by *Shoham* to designate, provide and maintain an incentive auction as disclosed by *Copple* because this would have provided kit advantages as described by *Shoham* at Col. 4, lines 29-34 and set forth below:

What has been missing is a highly versatile toolkit with which to quickly define and deploy a wide range of online markets, in particular markets in the medium to high end, and be able to modify the rules of these market on the fly without needing to engage in a lengthy software development process and service disruption.

It would further have been obvious to use the kit to provide an auction on an intranet of an auction sponsor because this would have provided a convenient place for employees to redeem their incentive points. Also, an auction on the sponsor's intranet would have engendered positive feelings toward the sponsor by participants.

Claims 14-16 and 18-20 is rejected under 35 U.S.C. 103(a) as being unpatentable over US 6,178,408 *Copple et al* in view of US 6,012,045 *Barzilai et al*, already of record.

Concerning Claim 14, *Copple* discloses the invention substantially as claimed. See the discussion of Claim 1 above. While *Copple* discloses most of the functionality of the invention,

Art Unit: 3624

it does not specifically disclose the apparatus elements that perform those functions. *Barzilai* completes these details as set forth below.

Barzilai disclose:

An on-line auction facility for managing bids of authorized participants (Col. 5, line 19 to Col. 6, line 52) on a set of auction items (Col. 6, lines 38-50), the on-line auction facility comprising:

- an authorized participants database configured to store a set of authorized participant entries (Fig. 2, element 34), each participant entry including a participant identification and an available funds value total (Col. 7, lines 36-60);

- an auction items database configured to store a set of auction item entries corresponding to auction items to be bid upon by authorized participants (Fig 2, ele.38), each auction item entry including an auction item identification and at least a high bid (Col.11, lines 6-30);

- a network communication interface providing on-line access to the auction facilities (Col. 3, line 44 to Col. 5, line 7, particularly Col. 3, lines 57-58);

- an interactive auction server including:

- a participant authenticator for selectively granting access by authorized participants to the contents of the auction items database and to submit bids on items from the auction items database (Col. 5, lines 8-32; Col. 7, line 17 to Col. 8, line 32);

- an auction item display generator, having communicative access to the auction item database, the auction item display generator responding to requests from authorized participants via the network communication interface by retrieving from the auction

Art Unit: 3624

items database, information relating to a selected auction item for display for the authorized participants (Fig. 5; Col. 11, line 37 to Col. 12, line 45);

a bid verifier, having communicative access to the participant points total in the participant database, for determining whether a received bid exceeds an available incentive point value total for an authorized participant (Col. 7, lines 40-60);

and a bid register for maintaining at least a high bid for each item represented in the set of auction item entries Col. 14, lines 10-34.

It would have been obvious to one of ordinary skill in the art at the time of the invention to have used the apparatus elements disclosed by *Barzilai* to implement the auction functions disclosed by *Copple* et al because the subject matter of auction management was common to both inventions and the inventions were method-apparatus reflections of one another. The use of the apparatus of *Barzilai* would have provided a convenient and effective infrastructure for the execution of the auction steps of *Copple*.

With respect to Claim 15, *Copple* discloses that a participant entry includes contact information at Col. 5, lines 4-22. *Barzilai* discloses the same feature at Col. 7, lines 35-60.

Regarding Claim 16, see the discussions of Claims 14 and 13 above.

With respect to Claim 18, *Barzilai* discloses including a suggested item value at Col. 6, lines 11-62. It would further have been obvious modify *Copple* to provide such a suggested value because this would have provided a reasonable starting price for the auction. Additionally, it would have been obvious to provide a suggested starting price so as to give guidance on what

Art Unit: 3624

price was likely to be accepted. Some guidance for bidding is required from a simply practical point-of-view and is commonly known as an initial bid.

With respect to Claims 19 and 20, see the discussion of Claim 18 and further note the equivalence of currency (dollars) and incentive points as set forth in the discussion of Claim 2.

Claim 17 is rejected under 35 U.S.C. 103(a) as being unpatentable over US 6,178,408 *Copple et al* in view of US 6,012,045 *Barzilai et al* and further in view of US 6,026,383 *Ausubel*, already of record.

Regarding Claim 17, *Copple* discloses the invention substantially as claimed. See the discussion of Claim 14 above. *Copple* does not disclose the inclusion of a bid history including a high bid and list of preceding bids. *Ausubel* discloses this feature at Col. 6, lines 11-62 and Col. 8, lines 20-35. It would have been obvious to one of ordinary skill in the art at the time of the invention to have included a bid history as disclosed by *Ausubel* in the invention of *Copple* because this would have allowed bidders to see information necessary to modify their responses after the auction had begun, as specifically noted by *Ausubel* at Col. 8, lines 25-35.

Response to Argument

The Declaration filed on December 19, 2003 under 37 CFR 1.131 has been considered but is ineffective to overcome the *Copple et al* reference. It appears that the Declaration presented relates to swearing back of the *Copple* reference and does not relate to 37 CFR 1.132. See MPEP 715.01.

The evidence submitted is insufficient to establish applicant's alleged actual reduction to practice of the invention in this country or a NAFTA or WTO member country after the effective date of the *Copple* et al reference. Applicant asserts that the screen shots provided as evidence to swear back of *Copple* represent the claimed invention. These screen shots are largely a re-presentation of information presented in an earlier declaration, which was similarly unpersuasive. Sheets 1-15 and 17 have no dates at all, and so provide no evidence of the invention functioning as claimed.

Additionally, Applicant fails to map elements of exhibits as support for particular claim features of Claims 1-13. Claims 14 and 15 are mapped, although in only a general sense. Designation of a set of auction items from a catalog, as previously argued by Applicant, is not shown in any of the evidence presented.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Charles Kyle whose telephone number is (703) 305-4458. The examiner can normally be reached on Monday - Friday, 8:30 - 5:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is (703) 305-7687.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Application/Control Number: 09/414,951

Page 11

Art Unit: 3624

crk

April 2, 2004

Examiner Charles Kyle

Charles Kyle